



Examiners' Report Principal Examiner Feedback

October 2020

Pearson Edexcel GCE A Level
In Business (9BS0)

Paper 1: Marketing, people and global businesses

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Introduction:

This report provides feedback on 9BS01 'Marketing, people and global businesses'. This report should be used by centres to provide teachers and students with guidance as to how to approach the various question types.

This year, the cohort was a fraction of the normal entry. There was still a range of responses and there are several useful pointers that can be taken from student performance overall.

In this report there will be a brief overview of each question, with some information about students' performance. At the end of the document there is an appendix which contains a good answer, and an answer in need of development. In each case there is a commentary. The aim is for students and centres to use these examples to develop their understanding of the assessment requirements.

Question 1(a):

Students generally were able to adapt percentage change calculation to the difference in wage rates between Aldi and Tesco. The mistakes that were made by some students were to either mix up the figures needed to calculate the percentage difference, or for answers to not be rounded to 2 decimal places accurately.

Appendix 1a i) and 1a ii)

Question 1(b):

A number of students confused 'objective' with 'strategy', so their responses, such as 'reduce prices' were suggested as an example of a business strategy. These responses are not correct. Increase market share was the most typical response, and there was plenty in the extract to support this answer with application.

Appendix 1b i) and 1b ii)

Question 1(c):

A large proportion of students found this accessible. There were quite a large proportion of responses that discussed 'above the line and below the line' promotion. Although these terms could be relevant, they are not specification terms and therefore not necessary to achieve the highest marks.

Appendix 1c i) and 1c ii)

Question 1(d):

Most students identified that the key to answering this question was the costs imposed on Aldi of staff leaving the business due to poor treatment, suggested in the extracts, and based on surveys. A surprising number of students interpreted this as a marketing issue, which would be valid as an explanation of the knock-on effects of the poor treatment of staff, but this was not what the question required. The best answers explained how Aldi's low-cost model could be harmed if their recruitment and selection costs increased due to staff leaving after poor treatment.

Appendix 1d i) and 1d) ii)

Question 1(e):

Students were comfortable answering about financial and non-financial methods of motivation, and this was shown by good levels of knowledge in response to this question. The best answers referred to the motivation mentioned in the survey, and appearing in Extract C, adapting these to the appropriate category. However, many answers were generic and were not applied to Aldi or the supermarket industry. Remember, context can come from an understanding of general business behaviour, and not just the extracts. For example, a performance bonus for the number of customers served in an hour might be an appropriate suggestion.

It is important to remember the 'recommend' aspect of the question for these 20-mark responses. Students should aim to make a detailed recommendation based on their evaluation of the two options. Students should avoid a brief summary conclusion.

Appendix 1e i) and 1e) ii)

Question 2(a):

Most students showed understanding of Price Elasticity of Demand (PED) calculations, as evidenced by the number who included the formula. This is good practice. The re-arrangement of the formula after being given the answer (PED) and the change in price caused many students difficulty. Calculation questions of this nature will sometimes require rearrangement of given figures, so it is good practice to prepare for this. Doing so will also help to deepen students understanding of a tricky concept such as Price Elasticity of Demand.

Appendix 2a i) and 2a) ii)

Question 2(b):

This question was not answered well generally. Most students suggested tariffs and quotas to be an effective method of legislation to protect the Indian ride-share market. Legislation refers to laws, which might include safety standards or limitations on investment. The best answers identified how the Indian governments could use laws to restrict foreign businesses such as Uber, referring to the extracts to support their answers.

Appendix 2b i) and 2b ii)

Question 2(c):

This question was intended to test candidate's knowledge of emerging markets and their key features – a specification requirement. The best responses did so, highlighting aspects such as rapid economic growth, as well as increasing literacy and other developmental features. Some students misunderstood Extract E as referring to India only. The best answers referred to this extract and explained that the growth projected is for all economies and that developing markets such as India may be affected differently. Good answers recognised that ridesharing might become less popular as consumers with growing incomes move towards private car ownership.

Appendix 2c i) and 2c ii)

Question 2(d):

Overall, knowledge and understanding of Joint Ventures was patchy. Many students discussed mergers or acquisitions and did not accurately explain how the two businesses work together but remain separate. 'Economies of scale' was mentioned frequently in answers, but not developed or applied in many. Again, the importance of examples from the business behaviour or context must be stated as crucial to succeed in longer mark responses. The best answers linked Ford's motivation to understanding the needs of a new, emerging market and using Mahindra to support these.

Appendix 2d i) and 2d ii)

Question 2 (e):

For students who had left sufficient time to answer this question, it was answered well. There was supporting evidence in Extract F and the best answers used this to good effect. Some answers referred to global marketing models, such as the Polycentric approach, and where they did so, the quality of the answers was enhanced.

There is not a prescribed expectation in terms of the numbers of points to be made in good answers. The emphasis is very much on applied, thorough and developed, chains of reasoning. The best answers take evidence from multiple extracts, link this to the specification content and the specifics of the question. So, in this example the question was asking the best way to become market leader in India: what features of the Indian market might make a differentiated or ethical approach more effective to Uber and why?

Appendix 2e i) and 2e ii)

Paper Summary:

Based on the exemplars that have been seen by the Principal Examiner, centres and students are offered the following advice:

- Learn the key terms in the specification. This could account for as much as 10% of the marks available on the paper.
- Learn the formulae in the specification and set out 'calculate' questions clearly. Across 9BS0.01, 9BS0.02 and 9BS0.03 **at least** 10% of the marks available must be quantitative based.
- In 'explain how' questions recognise that 2 of the 4 marks available are for 'application' or 'AO2'.
- If a question requires students to 'assess the benefits', the command word requires balance to achieve the top marks. In other words, are the benefits always benefits? Are there limitations? What does the benefits depend on?

Appendix

Appendix 1a

i) Strong response

Aldi - £8.85 Tesco - £8.02

$$8.85 - 8.02 = 0.83$$
~~$$\frac{0.83}{8.85} \times 100 = 9.38\%$$~~

$$\frac{0.83}{8.02} \times 100 = 10.35\%$$

Percentage increase = $\frac{\text{Difference in price}}{\text{current Price pay.co}}$ $\times 100$

10.385

This response takes a clear stage-by-stage approach to the calculation.

The difference between the wages is calculated and correctly divided by the original (Tesco) wage and multiplied by 100.

The answer is expressed to 2 decimal places, correctly rounded.

ii) Response requiring development

percentage increase calculation

$$\frac{\text{new-old}}{\text{old}} \times 100$$

$$\frac{8.02 - 8.85}{8.85} \times 100 = 9.378$$

= 9.38% increase in hourly wage

This response is an example of writing the correct method, but then inserting the incorrect figure. In this case, rather than the 'old' figure of £8.02 (The Tesco wage), the 'new' £8.85 (Aldi) figure wage used. This led to the incorrect answer of 9.38%.

Examiner tip: read the question carefully and follow each step as required eg expressing the answer to 2 decimal places.

Appendix 1b

i) Strong response

1a)

One Business objective that Tesco might be trying to achieve by launching its Jack stores is to increase its market share. This is important to Tesco's as it means Jack's will have a competitive advantage over competitors such as 'Aldi and Lidl', by being the 'cheapest in town' therefore being a cost leadership product, which will increase attraction for customers, thus make it more likely that they will buy their product. This will consequently mean that Jack's will have a competitive advantage over 'Aldi and Lidl', thus Jack's may experience higher sales which could increase their 'Market share in the UK. However, this may mean that Jack's brand image may be cast off as cheap, and of lower quality, due to it being a 'discounter' thus may reduce sales and market share from those customers who have a greater disposable income, which could decrease its market share meaning it might not meet its objective by launching Jack stores.

This response achieved 4 marks. It clearly explains the objective of market share, and analyses how this will be achieved. The answer also is clearly applied, achieving the two marks available.

ii) Response requiring development

Tesco's business objective they aim to achieve via Jack's store is giving a competitive advantage.
This is because by Tesco launching its own distinguishable brand.
The effect of this will mean higher brand recognition in a commodity market.
If the brand is developed successfully Tesco can enjoy higher ~~profit~~ customer loyalty, that will therefore lead to repeat purchases.

This candidate's understanding of business objectives is unclear. The application to the business and market could also be developed.

This response achieved one mark for attempted development of customer loyalty and repeat purchases.

Use the extract to find application points that help you to illustrate the term in the question. This will make your answer relevant specific to the business in question.

Appendix 1c

i) Strong response

Advertising is considered a promotional method on gaining and attracting ~~cost~~ future customers. There are two types of promotion, above the line in which advertisements are sourced through TV and leaflets and billboard where it can be noticed by anyone. The other type is below the line promotion, where a business directly sends out coupons and advertisements specifically to their target audience.

One benefit of Jack's locally advertising the business, is that they will be able to target customers directly and therefore being local they are able to easily deliver more which would be beneficial to them.

This is shown through the "promotions being tailored to the local community". Customers will not have to travel far and find it a hassle as further customers are less likely to come compared to local customers who are more likely to come and therefore allow the business to gain recognition and awareness and possible sales, which could lead to profits being made easily through local customers not

The introduction is clear, and actually goes into more detail than is required.

Above the line and below the line promotion is not a specification concept, but the candidate has chosen to include it.

There is a clear chain of reasoning developed here: the candidate identifies how leaflets will be used and explains the benefits in terms of the local community links.

There is further development of how Jack's will benefit in terms of sales.

being needed to travel a further distance to access the store and its goods. However, this also causes there to be a fall of potential customers who are also looking for a bargain as some in further areas will not know about the brand, its objectives and benefits causing there to be a fall in potential turnover. And therefore decreased sales and less revenue and possibly less profit.

A disadvantage to locally advertising could be is that it lowers the chance of brand awareness as other competitors use other promotional methods like above the line and therefore have a higher chance of gaining brand awareness. Jacks only advertising the company by using only "leaflets" lowers the chance of brand awareness and this will have a major affect as major competitors such as Aldi and Lidl all advertise to everyone and therefore allows them to benefit from the chance of being recognised by the nation compared to Jacks who will only be recognised locally. This will affect sales as less people will be aware of the brand Jacks and therefore affecting profits. However, advertising will cut down on money and it will be an added cost to the business. Actually I think that Jacks can advertise both locally as they will also gain recognition through word of mouth. Not only that when they've received enough sales and the enough profits.

Balance is provided, with developed counter = arguments, once more applied to the business context and behaviour.

The brief judgement (all that is required in a 10-mark question), explains how leafleting and local advertising could lead to word of mouth promotion – an added dimension the candidate has brought into the answer.

10 marks scored.

ii) Answer requiring development

A benefit of using leaflets to advertise locally would be that Jack's is able to create a better brand perception by the locals. Tesco's executive ~~branch~~ ^{David} Lewis stated that he wants Jack's to be the "Cheapest Store in town", ~~this~~ ^{this} creates the brand image of Jack's as a business that trades locally much like a family run coffee shop. Creating a good and unique brand image ^{such as the} ~~to a wider~~ ~~means~~ will allow Jack's to be perceived by customers as a friendly neighbourhood store rather than ^{the} a multi-national company that owns it. This incentivises customers to shop at Jack's increasing market share and thus increasing revenue also. However a drawback of this would be that the cost of advertising locally through leaflets all across the country will be more expensive than using more traditional mass market means of promotion such as TV advertising.

Another benefit of advertising locally using leaflets would be ~~that~~ that it may indirectly effect communication between consumers and Jack's. Having the image of a local store means that customers are likely to provide feedback on the products and services of Jack's as they are more likely to believe that their feedback will be considered and

This response is straight to the point, explaining the benefits of local advertising with leaflets, and developing this with chains of reasoning.

The answer is clearly well applied too.

There is further development, with another benefit clearly explained and supported with application to the extract.

acted upon. Better communication between customers and the business (Jack's) will allow Jacks to be more competitive in the retailer market. This will ~~create~~ ^{increase} revenue as customer feedback allows Jack's to react better to ~~consumer~~ ^{consumer} needs and wants, thus increasing profit margins allowing for Jacks to further ~~change~~ ^{create} and adapt their products to market trends.

However, There are many issues with advertising locally through such means as leaflets. one of these being that some customers may restrict access to their letter box to strictly mail addressed to them rather than spam mail.

In conclusion, leaflets are a great way to advertise locally, however locally advertising for a business such as Jacks, given their competitors is highest as the ~~main~~ objective of Jacks is to increase market share for its parent business Tesco's and competing against already established budget Super markets Aldi & Lidl means that the need to promote with the mass market in mind, thus using more above the line advertising such as TV and Radio or Social media.

The only attempt at counterbalance is not well-developed and this is a pity as it held back the mark awarded to 6 overall.

Examiner tip: When the command word is 'Assess' aim to include a fully balanced argument. In this case, assessing the benefits means to decide whether the benefits are outweighed by the costs or problems

Appendix 1d

i) Strong response

One likely impact is high labour turnover. This is because employees are demotivated due to 'long hours' and ~~constant~~ no rewards or incentives. This leads to an increase in ~~the~~ labour costs as Aldi's recruitment will constantly having to train and interview new employees. Therefore, sales may go down due to the lack of consistency Aldi is achieving by having new employees. This can leave Aldi at a potential competitive disadvantage to Lidl because all the experienced and well trained workers are likely to want to be employed there. However, by "pushing employees until 'exhaustion', Aldi may find that they achieve high capacity utilisation as they get their most out their employees. In addition, some employees have no option but to work at Aldi as Lidl may not be offering any positions.

The start to the response directly addresses the wording of the question, focusing on the costs of staff leaving Aldi.

Another likely impact is Aldi's recruitment and selection department will receive bad publicity. This is because employees are leaving 'negative reviews' open for the customers to read. This can lead to an increase in costs for the department as Aldi may have to restructure in order to change the employee experience. Therefore, customers may also start boycotting Aldi because

There is a clear development of the information in the extract to analyse how the negative publicity could add to the recruitment and selection costs of Aldi.

They don't like how customers are being treated. In addition, Aldi might also have to offer different incentives as employees 'work their socks off with no praise' which creates more bad publicity. ~~So they will increase costs~~ This will increase costs as other non-monetary incentives like fun on the job training are expensive. Furthermore, as Aldi is in the low cost ~~supermarket~~ industry, by increasing cost, it will badly affect their profit margins. However, Aldi has received some good publicity too. Employees may 'praise Aldi for their great pay' and according to Taylor's theory, money is the biggest motivator for employees.

Overall, ^{the} ~~likely~~ impact on Aldi's recruitment and selection cost is likely to be increase in costs and negative. This is because the majority of Aldi's employees are unsatisfied ~~with~~ with the Autocratic and Hard HR management. This means that employees are ~~are~~ less productive which will affect Aldi's market share against competitors like Marks because customers' satisfaction will decrease. However, it depends on the employee as young employees might see Aldi as a great working place due to the 'unparalleled learning experience' so become more motivated. In conclusion, Aldi will try to remain to use Autocratic leadership and recruitment as one of the benefits is low cost which enables them to use low prices to attract customers.

There is one counter-argument to costs increasing, but the point is not fully developed.

Another counter-point is made and this in context and developed much more clearly. 10 marks scored overall.

Examiner tip: In some questions it may be that the answer is more likely to be one side than the other. In this case, the costs seem to outweigh the benefits. As long as there is some balance, the judgement of importance in itself is evaluation.

ii) Response that requires development

Recruitment and selection are both part of the process when a company needs to hire a new employee. Recruitment takes place first in order to attract new potential employees and can either be done internally or externally. Recruitment is then followed by the selection process by which potential candidates ~~are~~ who the business have taken an interest in are then selected; which is then often followed by training.

Staff choosing to leave due to poor working conditions is likely to have a large impact on Aldi's recruitment and selection costs. The process of recruitment and selection isn't cheap. So if Aldi's staff turnover rate is very high due to staff leaving, it is likely to cost the company quite a lot.

Employees have stated that Aldi are pushing staff to work harder and longer resulting in staff quitting due to exhaustion or even injury. Even management aren't rewarded or praised for their efforts. Due to these bad efforts by Aldi, it's resulting in a lot of

Whilst this introduction is accurate, it is descriptive and does not answer the question. It is not an effective use of the time available.

people quitting. Being a large supermarket Aldi need a large number of employees and simply can't afford for everyone to be quitting. As everytime someone leaves a new person will have to go through the whole process of recruitment and selection which takes a lot of time and money. Something a low cost store like Aldi simply can't afford to keep doing.

In addition to the time and money Aldi will have to put into this process. It is likely they will begin to gain a bad reputation for their poor efforts to satisfy and look after their employees. Not only will this affect the recruitment and selection process due to the lack of potential candidates willing to now work for them under the poor working conditions; but it may also have a negative impact on their customer base. This may be because consumers don't want to support a business who don't treat their employees well.

Overall staff leaving due to poor working conditions is likely to have a large impact on the recruitment and selection process. Mainly because if Aldi continue to operate like this more staff

This is more than one developed chain of reasoning and is in context. It is well-written and clearly in context.

In contrast to the previous response, it does not provide balance though. There is no recognition that costs may not rise, or that there may be benefits that outweigh the costs of staff leaving.

Appendix 1e

i) Strong response

There are many forms of financial incentives that Aldi could uptake ^{with} the goal of improving customer satisfaction. Firstly, performance related pay can be seen as a financial ~~incentive~~ or bonus, payed out to employees if ~~goals~~ goals and targets are met. Aldi could use this ^{implement} ~~incentive~~ in this ~~incentive~~ for its workers e.g. if shelves were stocked in a given time or the speed of check-out met certain time & quality standards then employees could receive a bonus in pay. Customers benefit through faster check-out, better availability of products and a better experience overall shopping at Aldi. Another financial incentive may be a good benefits package for managers, in extract C, an employee praised Aldi for good benefits such as a company car & paid holidays etc. this can allow for employees to satisfy their safety needs which is highlighted by Maslow's hierarchy of needs. This ~~policy~~ ^{is the policy} allows for Aldi employees to feel safe & happy at their workplace, leading to higher motivation & resulting in a ^{more} ~~better~~ knowledgeable, hard-working workforce which increase the customer satisfaction.

However, ~~the~~ Herzbergs theory on motivation highlights the fact that ~~monetary incentives~~ ^{higher pay} is simply a hygiene factor which do not motivate staff but simply lead to a reduction in dis-satisfaction. Non financial techniques such as good employee-manager relationship ~~leads~~ is a motivator. This incentivises workers as they have a purpose and passion to make their managers proud. This dedication leads to better interactions with customers hence improving satisfaction. Also another non financial technique would be delegation of ~~some~~ power. If managers delegate responsibility more then this incentivises workers to take on a managing role which may lead to happier workers ~~and~~ and higher satisfaction.

~~Also~~ Finally Aldi ~~has managed~~ can be seen to have a flat organisational structure and less say for employees in key decision making. If employees had a say in key business decisions then they feel more attached to Aldi as a company, allowing for ~~more~~ employees to work harder and ~~be~~ perform better - thus improving customer satisfaction.

My Judgement would be that Aldi need to focus on non-financial incentives. Extract C shows how strongly the employees are against Aldi's 'money money money' mentality. - Financial incentives may only worsen this image of Aldi. Also incorporating P.R.P or bonuses or even shared profits for all employees may be beneficial for some, Aldi need to improve on its relationship with its employees and ~~allow for~~ ^{allow for} employees voices to be heard.

~~Non~~ Non financial incentives are key for workers a strong employee - manager relationship and team work agree with Mayo's theory of motivation as social needs are met. This can incentivise workers and allow for customers to have a better experience shopping at Aldi. However, which financial incentives Aldi use can be very arguable as markets are always changing and consumer needs, social trends, ~~and~~ the economy all have impacts on Aldi & therefore incentives such as allowing employees to partake in key business decisions can be time consuming & disastrous if not responded to efficiently in ~~the~~ a crisis.

(Total for Question 1 = 30 marks)

Q01

A thorough evaluation of both options, with clear and explicit reference to the context. There is also good reference to motivational theorists such as Maslow. Although not required as part of the question, the use of these theorists supports this answer effectively.

The recommendation is clearly developed and begins at the end of the final page. This clearly takes the previous arguments and uses it to develop a recommendation for Aldi.

This response scored 18 marks. The lack of application in the final paragraph precluded a mark of 20.

Examiner tip: There are two aspects of these 20-mark questions – the evaluation of the options and the recommendation. Try to give time and effort to the recommendation in order to access the highest marks.

ii) Response requiring development

There are many ways that can enhance or improve employee performance and they are generally categorised into financial incentives and non-financial techniques. By enhancing employee performance generally helps to improve customer satisfaction and this is generally achieved through an increase in motivation from staff. Motivated staff is something Aldi need to try and achieve given that at the moment staff aren't too happy with how they are being treated.

One way this could be achieved is through financial incentives such as bonuses or increased pay. F.W. Taylor believed that money motivated people and people only worked in order to increase their own income. He believed that money could be used as an incentive or removal of it as a threat. Aldi could go down this route by introducing a bonus scheme for their employees. A bonus is normally a lump sum of money offered at the end of the year to individuals who have worked hard and impressed their employer or manager.

By offering a bonus scheme encourages ~~and~~ ~~motivates~~ staff to work hard increasing and improving their motivation. Increased motivation generally leads to improved customer service and therefore increased customer satisfaction. Having good customer satisfaction is important for a company like Aldi as they want to gain a good reputation in order to increase their market of potential customers and therefore sales.

Introducing a bonus scheme would be even more motivating for staff given that they are ~~probab-~~ likely to be on a low wage.

However, ~~money~~ financial incentives don't motivate everyone so this on its own without improvements to employee working conditions may not be enough to keep an employee working there.

There are also non-financial techniques that can be used by Aldi in order to try and improve employee performance and customer satisfaction. Theorists like Maslow, Mayo and Herzberg believed there were more important / other ways to motivate staff other than money.

Maslow created a hierarchy of needs which included elements such as safety needs, ~~and~~ social needs and self actualisation. All of which

helped to improve employee satisfaction and motivation. Aldi could incorporate some of Maslow's theory by improving the working conditions for their employees or encouraging self-fulfilment.

Mayo believed that human relations were most important when increasing motivation amongst staff. So by encouraging managers to recognise and reward the hard work of employees will help motivate them as they feel part of the team and important.

Aldi could also introduce concepts like 'employee of the week' or encourage and offer more promotions within their team. This would encourage employees to work hard to achieve this goal; which as a whole will improve their customer service.

Overall both financial incentives and non financial techniques are effective ways to increase motivation which is a good way to improve customer satisfaction. Ensuring happy customers is essential in order to gain a good reputation and attract customers. Therefore a mixture of both techniques should be used.

This response has many strong features. It shows thorough knowledge and understanding of the specification area. These are explained in a logical and coherent way.

However, the analysis and chains of reasoning are generic and are not applied to Aldi or the context. This response could be applicable to any business.

8 marks scored.

Examiner tip: use the extract to provide context to your response. This means making effective use of the business behaviour and context, by picking out information and using this to inform your wider analysis.

Appendix 2a

i) Strong answer

$$\begin{aligned} \text{price elasticity of demand} &= \frac{\% \text{ change in quantity demanded}}{\% \text{ change in price}} \\ -2.75 &= \frac{x}{3\%} \\ -2.75 \times 3 &= \underline{8.25\%} \end{aligned}$$

The response shows understanding of the PED calculation and uses this to re-arrange the formula after inserting the figures given in the extract and question.

4 marks.

Examiner tip: as well as learning the main formula, make sure that you practice re-arranging these, so that you can calculate missing data.

ii) Answer requiring development

$$\begin{aligned} \text{PED} &= \frac{\% \text{ change in Qd}}{\% \text{ change in price}} \\ &= \frac{-2.71}{30.9 - 50.2} \\ &= \underline{3} \end{aligned}$$

Good knowledge of the PED calculation, which gained reward.

The figures start to be inserted, but the percentage change in price is not calculated to finish the calculation.

2 marks scored.

Examiner tip: practice percentage change calculations. They are important in elasticity calculations, but also in the analysis of other data in the business course.

Appendix 2b:

i) Good response

~~One way~~ The ~~Indian~~ legislation is rules regarding how a business can operate. One way India could use legislation to ~~protect~~ ^{protect} ridesharing is by limiting investment by MNCs. The extract states how Indian businesses reacted to Uber's significant marketing budget by leading them to limit investment. As a result of this firms will find India a less attractive market to operate in if investment is limited. This is because reduced investment means firms will be unable to do as effective marketing with a lower budget therefore they will be at a higher risk of failure which will stop firms from investing.

Clear explanation of legislation as protectionism, with analysis of how this might limit investment by foreign competition.

Good use of extract eg reference to Uber's significant marketing budget.

4 marks.

ii) Response requiring development

Legislation is rules and laws businesses have to abide by. One way the Indian government may use legislation to protect the Indian ridesharing business is using technical barriers to trade. Through this they will be able to put tariffs and quotas on businesses that are not Indian and limit investment for non-Indian businesses entering the market. This ~~will~~ will help India ~~to~~ because they can stop foreign competitors affecting the ridesharing market leading to its local business being sustained and therefore protecting the national businesses.

This answer begins well by suggesting technical barriers to trade. If this was linked to legislation, then the response would have gained more than 1 mark it was scored at.

Tariffs and quotas are not a legislative barrier to trade, so the rest of the answer did not achieve any marks.

Examiner tip: Make sure you understand all the barriers to trade a government could use. While important, tariffs and quotas are not appropriate for a service sector business.

Appendix 2c

i) Strong answer

Being an emerging economy India will be growing in similar or if not inflated rates of users of ridesharing across the world. This is likely to be magnified in an emerging economy it not initially then after years of growth. This is because with a growing economy more people will be in work. These people need to travel and from their place of work so dependence on taxi type services will increase demand. This means a supply will increase creating more jobs for those drivers which will exponentially aid the growth of the economy.

In a growing economy more individuals become more wealthy or well off. With a higher proportion of its population growing their wealth they are likely to spend more which often means they must travel and so demand for ridesharing will go up. However a higher proportion will in turn own their own transport which may in fact hinder the need for such ridesharing so growth may not happen although there will always be a blanket demand amongst those who do not own vehicles. 'Green' plans to reduce emissions of CO₂ etc are introduced in larger economies and India may end up pressured to do this themselves when they reach a level of economy. This may make it difficult with new restrictions in place to stop ~~the~~ ^{as many} cars running etc.

The answer shows a good understanding of the key features of a developing economy – an important specification area – and applies this to the analysis.

There is also balance from the argument that growth in ridesharing may be limited as more Indians are able to afford their own car, as incomes grow.

Overall though, with demand set to grow for travel in a rising economy and people more willing to spend their money, a business that operates in transportation is likely to grow with its demand. ~~However~~ ^{However} plans to make a greener country or more people able to afford their own vehicles will ~~also~~ make it more difficult.

The conclusion is effective, but doesn't go beyond 9 marks overall. 10 marks could be achieved by bringing something else to the judgement, such as projected growth in ridesharing in the world overall.

ii) Answer that required development

An emerging economy is a rapid growing economy. One reason why future growth is likely to be seen in the ride sharing business is because the number of users has ~~more~~ more than double from 207.38 million in 2015 to 453.42 in 2019. This suggests more people are using to try ride share. This suggests future growth is high because the numbers of users ~~is~~ is growing resulting in an increased market size which will allow firms to grow revenue & Profit.

However ~~ride sharing is~~ consumer preferences are constantly changing as a result of this in the future consumers may not want to ride share due to them being unable to travel with people. This will cause ride sharing vulnerable to external shocks.

Another reason why ride sharing is likely to grow is because India is an emerging economy. This suggests GDP per capita is growing rapidly meaning consumers will use more to spend on ride sharing as a method of transport. Ride sharing is a normal good meaning as income rises demand will rise. And symbolises ~~the fact~~ that this market will continue to grow.

This is a good use of the data in the extract to identify trends.

However, the data is for the world overall and this answer does not identify this.

This has many features of a good answer, including balance and an appreciation of developing economies such as India. It could be improved with more accurate use of the extract.

However as ~~the~~ more MNCs such as uber come into the ride sharing business in India it will cause competition to increase. This will result in market saturation meaning firms will find it harder to remain competitive cutting fatty profits.

In conclusion I believe ride sharing has good prospects for future growth. This is because ^{future} ~~current~~ ride sharing figures are ~~set~~ on the rise meaning the business will be able to attract new customers.

Examiner tip: take your time to be clear about what data shows in the extract. For example, check the title overall and the heading for the axes, if it is a graph.

Appendix 2d

i) Strong answer

One likely consequence is that there will be redundancies. This is because Mahindra and Ford don't need as many people working on the cars. This leads to a bad public image in India as there are not many job opportunities there there is in America for Ford employees. Therefore, Indian customers may feel that Mahindra has treated their employees bad and therefore boycott the brand new SUV. This might mean that it can also create clashes between ideas between both teams so therefore, 'both teams working together' may not be as efficient as first thought out. This can leave Mahindra at a competitive disadvantage to Audi as the car quality may not be as good as expected ~~such the redundancy~~ due to the redundancies and clashes with both teams. However, the Mahindra employees left in the company will gain knowledge and gain more skilled which will benefit Mahindra in the long term. This will mean that after the three years, Mahindra can continue to produce quality products with the knowledge that it has gained from Ford.

Another consequence it will have access to 'Ford's distribution network'. This is because Ford will enable the SUV to get the raw materials as cost efficient as possible. This means that Mahindra can sell the

Unusually, this response starts with the negative impacts of the joint venture. However, it is validly argued and supported well by the extracts.

SUV at a lower cost because the ^{Ford} distribution network will be more efficient than their's. Therefore, they can spread the risk of the manufacturing of the car. This can be backed by the case study as it mentions, 'including Ford's manufacturing and distribution network'. Furthermore, as Ford's distribution network is worldwide, Mahindra will get access to new markets enabling them to target new customers. This is vital in the car industry because brand awareness will ensure that Mahindra is a well known brand and might possibly use ~~per~~ premium prices to take advantage of it. However, it will only get to use this network for 3 years. This means, if Mahindra is successful in these new markets, it will have to invest in it's own network which can be very expensive.

Overall, I believe it's a good venture for Mahindra. This is because it will improve their customer satisfaction as Ford is a proven, successful car manufacturer. This gives the image that Mahindra will become more product orientated. However, it depends if 3 years is enough to develop the new SUV. Car research and development are quite lengthy so may not be achieved in time. Most importantly, it will make Mahindra expand which is one of their main corporate objectives.

As well as the strong chains of reasoning, with application to the context, this answer achieved 12 marks because of the strength of its judgement.

The use of '3 years' as a 'depends on' evaluation point provides a clear basis on which the judgement depends.

To maximise marks, try to add a wider contextual reason that might support your judgement. This is not a repetition of a previous point, but something else that might influence your judgement.

ii) Answer requiring development

Cor more⁽³²⁾ Q02d
A joint venture is when two business join together to ~~create a product~~ for a project.

A benefit of a joint venture is ^{increase target} ~~business~~ ~~it reduces trade barriers~~ ~~for~~ ~~consumers~~ the businesses. For example, if Ford joins with Mahindra it means ~~both~~ their products can be sold ~~to~~ to countries in ~~the~~ the EU and ASEAN without trade barriers. This means that there is a ~~target~~ larger target pool of consumers for each business and therefore they can both grow ~~the~~ ~~market~~ profit & market growth.

A disadvantage of a joint venture is that the businesses may not agree on all decisions. If the businesses have different ideas for the project it can cause conflict. This could result in the project falling through, and therefore a loss in ~~the~~ money, decrease market share.

In conclusion, I believe a joint venture is a good thing for these businesses as they can both enter each others markets, increase growth. However, if they don't agree on project it can be unsuccessful & fail.

This answer has positive features: it makes good use of the extract and attempts balance.

However, the attempted chains of reasoning are brief and not developed.

5 marks scored.

Appendix 2e

i) Strong response:

As stated within extract 4, the increase of 34.32 million more potential consumers within the ride-sharing industry may prompt Uber to ensure their place focus on adapting their key services to suit the wants and needs of these future consumers. Marketing strategies such as understanding the dynamics of the Indian ride-sharing market may benefit Uber, for instance information such as only 10% of Indian consumers speak English provides Uber the incentive to adapt their services to ensure more drivers ~~that~~ ^{that} may be highly employ must speak more Indian. Global marketing strategies such as polycentric advertising, which readily allows a firm such as Uber to adapt their services to the social or cultural factors set within India. This allows them to cater to the specific demands due to the nominal evidence which highlights how consumers are willing to increasingly purchase ride-sharing services, furthermore Indian emerging economies would likely mean a wider range of consumers, considering an emerging economy would likely mean the index in the jobs created, it would result in more transportation with India, this clearly accentuates to Uber that they must

This section shows a sophisticated approach, answering in depth and linking arguments in a developed chain of reasoning. It quotes from the extract, adds theory such as polycentric marketing, and brings in other contextual supporting information such as the Indian economy developing.

said he need to adapt faster into the Indian ridesharing industry as also by providing more quality and consumer friendly service within a growing economy, Lyft did like to be able to form solid customer loyalty through consumer services for instance providing the Indian customers with Indian speaking operators to ensure they have their problems resolved, identifying the price range and offering more services such as premium, low cost or carpooling options which have been used by the likes of their global rivals, Ola. However, as stated within Extract F, consumers within the US have experienced incidents as were drivers have been increasingly disrespectful and have had employees who have been sexually harassed, all these experiences are likely to decrease Uber's popularity amongst consumers. Operating and adapting within India, also proves to be highly costly as by employing more Indian speaking operators, providing new services to compete with the likes of Ola not by providing polycarbonate stores to match them with a new global energy market all have a toll of the amount of costs produced by the ridesharing service. Thus, the general opinion may be to focus on providing a more ethical stance by ensuring employees are protected

contracts and safety, providing drivers the basic right
regional and providing procedures such as wearing
masks and safety in a person in driver's mode. This
will subsequently result in an increase in the amount of
consumer satisfaction rates as employees would feel valued
and would likely improve their services and provide
greater experiences. Uber's objective to become the market leader
in the ride-sharing industry is highly dependent on driver
experience, although advertising and safety base in an emergency
center such as police may provide new access to a range
of high income clients, competitors such as Ola have
gained a high stake when the adaptation of the ride-
sharing. Business growth and power may ensure
MNCs such as Uber are controlled and the cost of operating
may consequently increase, increasing the risk of failure and
objective of becoming the market leader in ride-sharing.
Overall, by providing and taking a more more liberal
stance when operating their services, ensuring employees
rights are defended, providing employees solutions
to situations such as sexual harassment claims of driving
drivers provide better services, Uber will ensure
the advantage of the global increase in 39.32
million consumers to potentially purchase more ride-sharing

As a well renowned global marketing business, the success of the business is highly important and would determine the amount of consumer demand for their services. As stated in extract 1, ensuring new solutions such as providing services for wheelchair users or improving the pricing range for new products could ensure a greater image to external stakeholders such as consumers. The role of the business is dependent on whether it is a reputation service provider although it is stated before.

Indian consumers a service that is adaptable to their social and cultural norms may be advantageous, I believe a pattern of taking a more ethical approach and valuing business comes would ensure stakeholders such as consumers and potential investors would likely be satisfied thus ensuring they are allowed the position of becoming the potential market leader for the Indian market.

Again, information from the extract is used to develop a comprehensive chain of reasoning, using concepts such as stakeholders to structure and frame the response.

Towards the end the judgement becomes a bit more generalised, which is why it scored 18, instead of 20 marks.

A Marketing, Objectives, Products/services, Situation 'MOPS' approach (see mark scheme) can be used as a checklist to support strongly contextualised recommendations.

ii) Answer requiring development

Uber may need to focus on changing its service to ~~adapt~~ the needs of Indian consumers. It's competitor Ola pride themselves on having the best local knowledge of the market. Even though, uber operates in many countries, it can still be challenging to disturb the Indian market. Accepting cash could be seen as a change to adapt to Indian consumers but also there could be a change in the language settings of its apps. ~~Approx~~ 10% of Indians speak english, this could be seen as a necessity in ~~the~~ when adapting for the Indian consumers.

In terms of business ethics, Uber should definitely improve upon it. When ~~at~~ there are different types of formalities and cultural differences ~~in~~ from country to country for example ~~that~~ Uber could implement a living wage and health insurance for the Indian drivers. This may create a positive brand image ~~of~~ for Uber in

the Indian market.

however, in practice it may take a long time to effectively relay the change in culture through-out the firm,

Adapting its services can be seen as a more expensive when compared to changing the ethics and culture of uber.

In my opinion, I believe Uber should focus on improving its business ethics. Whilst in the short run an adaptation in its services may be ~~a~~ necessity, for Uber to be a market leader, they need longevity. This can only be achieved through ~~positive~~ ^{returning} customers who use Uber on a regular bases. Uber is already well established and a household name, however by improving its ethics and culture it can show the Indian market on how much their willing to make a difference to their culture to meet the needs of its customers and employees and this will ultimately determine if uber can ~~stay~~ become

market leader. With that being said social, political & economic factors all come in to play and adaptation of its services may need to continue in order for uber to be prominent.

This candidate may have started to run out of time. These two brief paragraphs show understanding, but are not sufficiently developed beyond assertions/undeveloped chains of reasoning.

The beginning and end of this response has many positive features. There is good use of context and development of arguments. The recommendation shows an appreciation of Uber and its history and the response also shows knowledge of PESTLE (political, economic, social, technological, legal and environmental) analysis too but doesn't quite apply this knowledge effectively.

Examiner tip: consider prioritising longer questions when completing the exam. With a 20-mark question at the end of each section, it is easy to run out of time on answer that you could have completed well.

